

TRANSCRIPT

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**WEST VIRGINIA FARM BILL FORUM WITH UNDER SECRETARY FOR
RURAL DEVELOPMENT TOM DORR AND MODERATORS JENNIFER
WILLIAMS, DIRECTOR OF AGRICULTURE AND NATURAL RESOURCES
AND DAVID SNIVELY, ASSOCIATE DIRECTOR OF OPERATIONS WITH
THE WEST VIRGINIA UNIVERSITY EXTENSION SERVICE - ELKINS, WEST
VIRGINIA
OCTOBER 7, 2005**

MODERATOR: [In progress] Members of the Elkins Chapter of the FFA and the Randolph County 4-H Program.

I'd like to introduce now a man who needs no introduction. But I'm going to have the pleasure to introduce him anyway, West Virginia's Commissioner of Agriculture, Gus R. Douglass.

Commissioner Douglass has 36 years of service in this role making him the senior commissioner of agriculture in the United States. He began his career with the Department in 1957 as assistant commissioner and since that time he has held leadership roles in the National Association of State Departments of Agriculture, the Southern Regional Committee for Food and Agriculture, and the Southern United States Trade Association. If I were to let you know all of the boards and committee that Commissioner Douglass is associated with, I think that we would take up our time. So I'm just going to mention a few.

Commissioner Douglass currently chairs the U.S. Secretary of Agriculture's Advisory Committee on Foreign Animal and Poultry Diseases. He serves on three national association of state Departments of Ag committees, including International Marketing and Trade, Food Regulation and Nutrition and he chairs the Animal and Plant Industries Committee. And back here at home he's pretty active as well. He serves as chair of the State Conservation Committee, serves on the Housing Development Fund, and the Air Quality Board and he's the director of the West Virginia State Fair.

He and his wife Anna Lee are both 4-H all stars and we are glad to see Ms. Douglass in the audience as well today. And if that's not enough to keep him busy he and his son, Tom, operate a 540-acre beef and grain farm in Mason County.

The Commissioner grew up in agriculture. He is the state and national president of the FFA, chosen as the West Virginia star farmer and was the first president of the National FFA Alumni Association. I bring to you Commissioner Gus R. Douglass.

[Applause.]

COMMISSIONER GUS R. DOUGLASS: Thank you, Jennifer.

Gosh, what a generous introduction. (Unclear) the other Secretary here and I guess he and I have had the pleasure of visiting earlier. But this is a great honor to me, Mr. Under Secretary, to welcome you to West Virginia on behalf of our 20,800 farm families out there and all those industries that are supportive of West Virginia here.

You know, the northeast, Mr. Secretary, is considerably different from the balance of the nation and we feel at times that we are grossly overlooked in the type of agriculture that does predominate here in states such as West Virginia from Freemont down to West Virginia. And to the best of my knowledge this is one of the first times that a forum of this nature has come to this state.

And, again, my personal thanks to you and Secretary Johanns for being here. I'm proud of the representation I recognize in the audience all facets of the industry that are here. But, at this time, I certainly hope that our comments are not just the echoes in the valleys of West Virginia, but that echo and that voice that you hear today will permeate the USDA, will permeate the Congress, and, again, that you will hear of the needs of small farmers and small industry.

Most people don't recognize that West Virginia is probably the energy core of the United States. And because of our wind power development, because of our tremendous coal resources, because of our many rivers and hydropower. The last time I looked, West Virginia was the head or was the largest natural gas producer east of the Mississippi. And so tying that into agriculture, biomass, I've recognized that you're looking and the Secretary is looking at hard biomass. But I consider that forestry has been grossly neglected. Here we are leaving so much energy on the floor of the forests. Not only is that left there to develop no value, but, of course that is a tremendous risk with all that fuel.

I would hope West Virginia University and our Forestry Division, Mr. Secretary, might see more research coming in the way of cellulose because we recognize that cellulose can replace the plastics just as rapidly.

I won't take more time because the purpose here is to hear from you folks. And let you make your voice heard because I'm going to lay a few pages of comments in the Secretary's hand that he may take it back and hopefully that he will look at what I'm sure he is going to hear in more detail here today.

But, Jennifer, you have given me another honor and that is that I get to introduce the Under Secretary. Fortunately I had an opportunity to visit with him at the national

meeting of State Departments of Agriculture and we did have that opportunity to visit for a few moments and to learn that, of course, he is a native of Iowa. And he started out there basically too on the farm and of course if you're from Iowa it's got to be corn and soybeans.

This is where he really started his activities. And as president of a family agribusiness company consisting of corn, soybeans, a commercial grain elevator and warehouses. In addition to that, why, of course, he has tremendous experience in the area of finance and business and he served as a member of the board of directors of the Seventh District Federal Reserve Bank of Chicago, the Iowa Board of Regents and has been a member and an officer of the Iowa and National Corn Growers Association.

The division of USDA that he does oversee is the USDA Rural Development Policies and Programs. These consist of really three main areas and that's business, utilities, and housing. So you can see he's well qualified there. And a little bit of money involved in this too, only \$14 billion, Tom, that you are overseeing. But it goes on and on. We do appreciate the leadership that you've given us in the business, housing, and infrastructure.

Folks, join me in extending a great West Virginia welcome to Under Secretary for Rural Development Mr. Tom Dorr.

[Applause.]

UNDER SECRETARY TOM DORR: Thank you, Commissioner Douglass. And I did learn about -- it was either two or three weeks ago at the NASDA convention or conference that he truly is the dean of the agricultural delegation across the country and he's held in very high esteem. So when I found out that I was going to have the opportunity to be here and share the stage with him again today, I looked forward to it.

Let me first say that the young lady that sang the National Anthem was delightful. It was one of the most charming young voices I've heard in a long time and I mean that very seriously. Let's give her another round of applause.

[Applause.]

UNDER SECRETARY DORR: I had a chance early on to meet the three FFA officers that are here today and the young man who is in middle school with the 4-H and it was really interesting. Mr. Phelps is already an entrepreneur at Bonner Plant Farms and he's in the midst of developing a marketing career. And Mr. Wright wouldn't tell me a whole lot about himself, I know that he's a junior in high school. On the other hand, the young lady, Ms. Kearns has got her own greenhouse. And she talked her father into helping her put up her own greenhouse and she sells her own plants. And I mean to tell you, that's real economic development. Who knows, maybe some day she'll have huge hydroponics facilities out here and you'll all be doing business with her.

But I thank you very much for coming out and getting involved today. This is really a lot of fun for us. Fun in the sense that they're very, very educational opportunities. I have a chance to, many times, get reacquainted with folks. I had not met Dave Snively before, but I had had the opportunity to meet with Sue and her husband earlier at the farm -- did I get that right? Wait a minute. Jennifer, excuse me. Excuse me. Jennifer and Bob at the Farm Bureau Conference a couple of years ago that I attended here in West Virginia. And it's fun when you come back to get to know old friends. Bill and Jennifer Williams who are in Elkins, Jenny used to be our state Rural Development director. Now it's being handled by Rob Steptoe who we are thrilled with. So it's really great to get to these sessions and sit down and reacquaint yourself with folks and then also have the opportunity to listen to things.

The main reason we are here today, quite honestly is to continue a conversation, if you may, that has been going on now since early July. Back last spring President Bush and Secretary Johanns made a decision that since we had a couple of years prior to the next Farm Bill being drafted it might make some sense, given the fact that we have not done this at USDA for a number of years, to actually try to go out on the ground, in the trenches, and find out from the producers as well as all rural Americans what their feelings were relative to the Farm Bill.

You know, farm policy has a long history in this country. It evolved out of the great depression in a bill that was written or known as the Agricultural Adjustment Act, and fundamentally it is still known as that, nearly 75 years ago.

But about every five years or so it's important to rewrite it. What happens is there's a need to reevaluate what happened. It always takes on some new political iterations and it has to be revisited because Congress only sets it up to be in effect for a set period of time. What happens is that through that process we get an opportunity to see what works and what doesn't work. And as a result today is really an opportunity because, as I say, it doesn't start for another couple of years to go in and see what's happened.

Now, there are many questions that have to be addressed and what I'm going to do today, quite frankly, is sit here and listen. When I get done with this bit of rambling, if you may, I'm going to spend the rest of the day listening and taking notes relative to your observations and your concerns regarding the Farm Bill.

In fact, as Commissioner Douglass indicated, I was born and raised in a rural community in northwest Iowa. I've spent my entire life, but a few years that I went to college and spent about three years working for a large company and then returned to the farm in the early '70s. I spent over or nearly 31 years on the farm. The interesting thing is that I think I may have been the only one in my high school graduating class that went away to college and returned home. And, you know, there are an awful lot of young people that really do want to have the opportunity to return back to their hometowns to live there.

The decision that I made 40 years ago was one that at that point not many of my peers were willing to make. And the reason is because quite honestly change has occurred. And change is occurring more and more dramatically and more rapidly all the time. You can handle change a couple of ways. Number one, you can be prepared for it, and you can deal with it. Or number two, you can be fearful of it and you can do nothing. And it is very clear that change is not going to slow down. The reality is that in far too many of our small towns and rural communities across rural America, we have historically become so traditionally dependent on production agriculture, forestry, and ranching and all the services that sustain them because they were very viable for a number of years. But as those have died and those have changed, we know what it going out in a kind of hollowing out effect in these rural communities.

I am here to tell you though that I am an unabashed optimist when it comes to rural America. I experienced something coming out here to this forum that I was really, truly surprised about. I went past a place called, I believe it's Charles Point between Morgantown and Clarksburg. It's a really interesting development because what it is, apparently, and I don't know very much about it. I'm actually surmising a few things.

It's a town that's building around probably an infrastructure that is composed of a lot of bandwidth access and ultimately the ability for knowledge workers, if you may, radiologists or architects or retirees or financiers or anyone in between in that spectrum to live in that community and live there because they like living in rural areas. There's good quality of life. There's safety that they don't have in heavily urbanized areas, and all the other aspects of it, and it's becoming possible because of the ability to transport people and to transport information so that folks can live locally and compete globally. This particular thing is not necessarily unique. The scope of that appears to be unique, but the regional development that's going on built around these new technologies is clearly enhancing the ability of young people to either stay or to return to their communities because the quality of life and the job opportunities are beginning to emerge.

I don't know if this is the end all to be all, there are a number of other things. Commissioner Douglass talked about biomass and cellulosic research. In fact, the new energy bill, the first one we've had in, I think, 30 years has a great emphasis on this sort of thing. And the Commissioner is right, there is a tremendous amount of potential in biomass and bioenergy and the alternative industries that are associated with that. It is our hope that through these listening forums we can gain greater insight on all of these issues, all of these opportunities, and quite frankly some of the problems that you're dealing with so that we can respond in a better way as we go about developing a new Farm Bill.

So with that, I really do look forward to having the opportunity to listen to each and every one of you. I think we're going to be here for three hours or so.

I know there are a few of you who thought perhaps you were coming in here to see the coronation of Maid Sylvia, and clearly I am not Maid Sylvia. But having said that

I invited the Commissioner to take off his jacket. It is a little warm up here under these lights. I apologize for being a bit informal, but I'm going to have to at least pay attention. I didn't want to fall asleep with a heavy jacket on up here.

So with that, I would like to turn it over to Jennifer and let her go to work with the folks in the audience. We look forward to hearing from you.

VOICE: Thank you, Mr. Secretary.

[Laughter.]

MODERATOR: Thank you, Mr. Under Secretary and Commissioner.

There are a few ground rules here this evening or today but I would first like to say, I think this is a very exciting day for West Virginia and West Virginia agriculture. Number one, I would like to thank the Under Secretary for bringing the rain. I think everybody woke up this morning and praised God that we finally got some rain. So we would like for you to stay a few days.

Secondly, I think it's exciting because we in West Virginia have the chance to provide our input for the future of agriculture and the future Ag policy in the nation. So I think that's important and I think this is democracy at its best. I encourage you to participate to its fullest.

We do have a few ground rules that we would like to set out. There are six questions that we would like to address for the first two and a half hours or so and those questions are listed in your packet. There's a sheet in your packet with the six questions that we want to address.

There are two microphones and they are located in both aisles or in each of the aisles and we invite you to come up with your comments. We ask that you state your name, where you are from, and your affiliation with agriculture. And as I look out over the crowd today, I am very pleased that I see a broad representation of producers as well as agency personnel from all different areas of the state. I think that's a wonderful thing because we have a broad representation.

Your remarks are being taped, so I would just like for you to know that there will be a written transcript of this meeting. So I just wanted you to know that you will be being recorded. You will have approximately two to three minutes to speak. Now, I'm not going to say that you have only one time because you can get up to the microphone as many times as is available, but we would like for you to hold your comments to about two to three minutes. And, I guess it's my job as the moderator to kind of serve as the bully. And my husband says I do that quite well.

At the end we are going to save our last half hour for some open comments for any questions that you would like to ask or anything that you would like to say that are

not really relative to the six questions that are involved. And then lastly I would like to say that there are representatives from all of the farm agencies that if you have specific questions about programs, they are available for help. So you can ask them specific questions.

I guess that's time for me to be quiet. And so I would ask that we start the program today by having two young people, one representative from the state 4-H program and one representative from the FFA program give us their comments on the first question which talks about the challenges facing new farmers and ranchers as they enter agriculture.

So I would invite the FFA member to come up to the mike and give us his comments.

UNDER SECRETARY DORR: While we're waiting, could I take on liberty and that is, I forgot to introduce Ron Hilliard who is here as the state director for the NRCS and John Rader and his lovely wife up in front who are state director for the FSA. And I wanted to be sure and point out that the FSA, NRCS and Rural Development all do have booths with information around there so that we urge you to stop and take a look if you have any questions.

Thank you and I didn't mean to interrupt you, but I wanted to make those introductions.

MODERATOR: That's fine.

MR. JOSH WRIGHT: In my opinion continued support for agricultural education and FFA is needed to help teach my generation the benefits and challenges of agriculture. The agriculture education program provides a well-rounded, practical approach to learning through three basic components, classroom education in agricultural topics such as plant and animal science, horticulture, forestry, agribusiness, et cetera.

Next, a hands-on supervised agricultural experience program such as production agriculture, starting an agriculture business, or working for an established agriculture company.

And finally, FFA which provides leadership opportunities and tests students' agricultural skills. The FFA programs and activities help members develop public speaking skills, conduct and participate in meetings, manage financial matters, strengthen problem-solving abilities, and assume civic responsibilities.

Policymakers, I encourage you to carefully consider the impact that your decisions have on young people considering careers in the agriculture area. FFA, for example, at the local level here in Elkins has anywhere between 50 and 100 members by the time the year is over with. And around the state of West Virginia we have nearly

5,000 FFA students. Your decisions on farm policy greatly affect these students' potential career choices in the agriculture area.

And I did forget to state my name. My name is Josh Wright and I am from Elkins and I am the Elkins High School FFA President. Thank you.

MODERATOR: Thank you.

Michelle, would you like to give us your comments?

MS. MICHELLE DUCKWIRTH: Good morning. My name is Michelle DuckWirth and it is truly an honor to speak with you today as a representative of the 56,000 4-Hers in the state of West Virginia. I am a senior at Phillip Barbour High School in Barbour County and a member of a very active 4-H family as there are currently four members who have been inducted in the 4-H All Stars. Most of my family including aunts, uncles, and cousins have been 4-Hers.

My grandparents have long been participants in USDA Farm Bill program. Currently they are among the final six farms to be selected as that 2005 conservation farm of the year in West Virginia. Certainly our family has been committed to West Virginia agriculture. Over the last century the passing of the Farm Bill has allowed the USDA to provide funds to ensure the safety of our food supply, conserve the land and its natural resources and as well as provide agricultural training for our nation's young people which, in my opinion, is the key to ensuring a prosperous agricultural economy will continue in this country.

Up and coming farmers need the financial support allocated by the Farm Bill if they are to become successful producers. The price of land and machinery the ever rising costs of fuel and the surging threat of bioterrorism has made it harder than ever to thrive in the agricultural industry. Therefore, by providing younger generations with the proper tools and education, we allow them to make more efficient contributions to the world's food supply.

The experience and knowledge gained through participation in clubs, camps, competitions and other related activities are invaluable to the youths of the 4-H program. Not only do they become wiser individuals, but the learning by doing aspect of the program builds character and confidence. I stand before you today as a testament of what 4-H has done to shape individuals and what those individuals in turn can do to shape those in the communities around them.

Thank you for your time and I encourage you to continue your support of this rewarding educational program as we look to invest in the future.

MODERATOR: Thank you. That certainly says that there is a bright future in agriculture.

Now I would like to invite you to get up and give us your thoughts an input on the Farm Bill.

MR. SIDNEY PHELPS: On behalf of the West Virginia FFA Association my name is Sidney Phelps and I from Flemington, West Virginia. Being originally from the state of Alabama where agriculture is [inaudible] I did not learn quite exactly what agriculture was. I was one of those students who came into high school and I never decided I wanted to work on a farm or be involved in agriculture even though my family is heavily involved.

In the year of 2000 I moved to West Virginia. Even though West Virginia might not be the world's largest agricultural state, it is one of the states that has taught me to love agriculture. I came from a leading nation state that leads in agriculture in the state of Alabama and moved to West Virginia. West Virginia is not known for their agriculture, but I can tell you the strong, vast ties that this state has, they have 5,000 FFA members in this state, who will show you exactly what you want to get into with agriculture. I am now serving as the national officer candidate for the state of West Virginia. This is coming from a student who in the year 2000 did not want to go into the field of agriculture. Had no idea and now I am actually a sales representative for one of the largest national greenhouse operation, as the youngest salesman ever. But through the FFA, I was able to do this.

The FFA is an organization that can change students' lives. And I feel if we promote FFA through the USDA as well as the FFA as a whole that it will inspire young people to come through and be more involved.

You look at most of my generation we're always known for playing video games, sitting back, playing rock music, and having a good time. As in other generations, they were always known for going out and working because they didn't have the chance to get a TV. They didn't have the video games, and those are the present farmers today. Our average age for a farmer right now is 55. Why don't we promote youth organizations that care about farming and go through that way whenever the generation comes up that's in high school now, those will change that average rate of 55 to 20 to 30.

[Applause.]

MODERATOR: Thank you. Very eloquent.

Sam, step right up there.

MR. SAM TUCKWILLER: I'm Sam Tuckwiller from Greenbriar County and I've been a beef producer on the home farm there for about the last 50 years.

And Secretary, ever since I have been a producer, been in the agricultural business, the government policy has been a cheap food policy. That's been for 50 years and I see no reason why the government has any intentions of changing that cheap food

policy. So if you're going to maintain that, and I'm sure you will, as you've done for 50 years, well, I have a suggestion of about five things that I would like to discuss with you.

The first thing I think we need to do is to continue on with the pasture improvement program. When fertilizer is \$300 a ton, it's pretty tough for some of us guys to do the fertilizer business as we have normally done it and continue on. And this is a good way for conservation to put it on our pastures, to keep improving the roots and the soil of the good pastures we have here in the blue grass and white Dutch clover that we have here in the state of West Virginia, particularly down in Greenbrier Valley.

The proper way I think to administer the funds of the lime and fertilizer program through this pasture improvement program would be to change that back to the FSA and not with the NRCS. The administrative costs of the NRCS far exceed those costs in the administration of the FSA. That's a suggestion I have for you there.

The second point I have is I want you to continue on with the corn deficiency payments. That helps the dairy farmer with their feed costs and the poultry producers with their feed costs and it also is an indirect subsidy to us beef producers because when corn is cheap, why, the boys that run the feedlot will pay a little bit more for our feeder cattle.

The third point I have, something that probably would be new to you all is the fuel assistance program. Diesel fuel costs me twice the amount that it did last year to harvest the corn this fall. And so I would suggest when the fuel gets over a dollar and a half that there be some kind of a government subsidy for fuel. This sure would help keep your cheap food policy in place.

MODERATOR: Sam, you're nearing three minutes.

MR. TUCKWILLER: Okay. I've got a couple more, Jennifer.

The fourth thing I have is more aggressive trade policy. We need to have a more aggressive in the eastern rim with China and Japan for the export of beef.

And the fifth thing I have is the elimination of the federal estate tax. Once we tried to get that through the Senate somebody stops it for the last four or five times. So let's attach it to the Farm Bill and see if we can't get it through that way.

Thank you, sir.

[Applause.]

MODERATOR: Thank you, Sam.

I know several of you out there have a lot of input to make. And so I encourage you to come to the microphone. I was about to call Joe Harper's name because I know that he has a lot on his mind.

MR. JOE HARPER: Thank you, Jennifer. Welcome to West Virginia, Mr. Secretary. I felt with the question on the agenda at this point it might be a good time to follow-up with my comment along with my friend Sam Tuckwiller. With the passage of this free trade thing with Central America, it concerns me somewhat concerning beef. I'm not sure we have any kind of regulations to say how much more beef isn't going to come from Brazil or Argentina.

And I think it's a good point to bring out the fact that we need COOL. Because we have to be able to identify this meat that's being imported. And this gets on a touchy subject because the major importers and a lot of those are the packers, they don't want to do it. But we've got to protect our product. The U.S. people, I think, want to buy American product. And I certainly support the labeling of our beef and label the beef coming from Argentina, Uruguay or wherever.

I want to also support Sam on his comment about the conservation program with the aerial fertilization. My farms are much different from Sam's. I live east of here about 40 miles in the very mountainous area. We have excellent fertile land for mountain land. And several years ago we had aerial fertilization programs. We made our pastures. I've been all over this country. I've seen ranges everywhere. We have the best pasturing in the United States right here. Right here. Nobody can compete with us for gains on cattle because of our climate and the rainfall and the quality of our grass. But it's prohibitive now for us fly this land with a helicopter. We need some assistance. And this is just not a production point. You know, this land is starting to regress now. Therefore, it becomes a conservation issue.

I'll have more later, but I wanted to follow-up at that point.

MODERATOR: Thank you. Next. Mr. Smidlin [sp].

MR. WALT SCHMIDLEN: First of all, welcome to West Virginia. Glad you took the time to come and visit with us. And I'm going to give you a little bit of history to let you know where I'm coming from.

I started at eight years old.

MODERATOR: And your name?

MR. WALT SCHMIDLEN: My name is Walt Schmidlen. I'm sorry. I started at eight years old with my family's dairy farm. I was born and raised there. But at eight years old I was milking 60 head of cattle by myself once a day. Not bragging or complaining that's just the way the family industry was.

Since that time I'm currently 40 years old, two years ago I was able to retire from the dairy industry largely because the income was not there to support a new facility. It's very important that we maintain the level of income on farms necessary to be able to allow young folks such as myself -- and I'm 40 years old, but I still consider myself young, I guess. But we have to be able to maintain that level of income so those young folks can come on board and take over.

I've got a son that will be 13 years old this year and he's interested in farming. But it's difficult to be able to ask the young folks to follow in our footsteps when the level of income is not there. They can go out and get a job at McDonalds for minimum wage, 40 hours a week, and still make more money than what you can on a farm.

One thing that's happened in the last couple of years that I think was a big benefit to the beef industry was the closure of the Canadian beef market. And, you know, your first question here wants to address, how can we compete more in a global market? I think that's very important. We need to compete globally. But we also need to remember that we have to take care of ourselves a little bit before we do that.

In '83 I graduated from high school, I was paying \$240 a ton for soybeans. The United States had reached an agreement with China to provide them with soybeans which was a fantastic opportunity. But what did they do? They sold all the American soybeans to China, we went to Brazil bought the soybeans back and I went to my local feed store and bought those soybeans for \$350 a ton. Now, you want to talk about cutting into your bottom line, that cuts into your bottom line.

I would ask that the USDA give consideration to the local individuals, the American individuals, give some consideration to our ability, what we need to do to be able to stay in the industry.

Thank you.

MODERATOR: Thank you.

Next.

MR. LARRY COTE: Good morning, Jennifer.

MODERATOR: Good morning. I would like to introduce my boss, Larry Cote.

MR. LARRY COTE: Good morning, Jennifer, Secretary Dorr, good to have you here, and Commissioner Douglass. My name is Larry Cote. I'm director of Extension for our state and also chair elect of the Extension Committee and Organization and Policy which is the [inaudible] organization that, you know, governs extension.

My comments are really on question one, the same as the last gentleman there. First of all, I would like to state that it's my view that one of our most significant

competitive advantages is our educational and national infrastructure between USDA and America's Land Grant Universities. In what is called the knowledge economy today and tomorrow, even in the fields of agriculture one of the edges that we still have nationally, even with China looming as a huge competitor worldwide, is this infrastructure. Yet, for the past two years, the current administration has proposed significant cuts in base funds that would affect the research, extension, and educational capability of this system.

The president of my university, David Hardesty, talks about institutions. And he says they are very hard to build, very easy to take apart, and almost impossible to rebuild. So I would argue for a very strong balance between so-called "base" or "formula" funds that make the system run and competitive funds which help introduce innovativeness.

My last comment is related to the national 4-H program. It seems to me when I look at USDA literature, either it forgets about that it has the national youth development program in the country or somehow the editors miss it in the publications. If I had 4-H as a program and I was Secretary of Agriculture, I would have that out front of everything I do. And that relates to the first question I'm addressing. Our competitiveness does relate to the youth of our country.

And, by the way, both urban and rural, 4-H is as active in urban communities as it is rural and programs are appropriate.

Thank you for the opportunity to comment this morning.

MODERATOR: Thank you. They were giving me the red sign, and I really couldn't cut my boss off.

[Laughter.]

MODERATOR: Any other comments?

MR. TOM McCONNELL: Good morning. I'm Tom McConnell. I'm a farmer from Preston County and I've had the privilege also of working for the extension service for 32 years. I'm seriously considering making a career of that and just go on and go ahead.

[Laughter.]

MR. McCONNELL: But thoroughly enjoyed these years and especially enjoy the opportunity that I see before our young farmers right now. Just a couple issues here and I'll warn you, I've got opinions and lots of them. I'll probably be up again.

But addressing the challenges facing new farmers and ranchers as they enter agriculture. It's really a tough situation. We all understand that, but I firmly believe education is the key and I would like to propose that some language be added to the Farm Bill that would consider bolstering the wonderful efforts of our Vo-Ag programs and the

organizations of FFA and 4-H by maybe instituting a mentoring program, formalizing that and maybe handling those funds through the SARE program or one of those related to get folks on farms spending time with folks that are making it work for them.

You know, it's a tough call right now to try to reverse the two or three generations that our young people have had being convinced not to enter the agricultural business. You said it yourself, you know, you were the only one in your graduating class to come back to the farm. That's the same thing we've seen in West Virginia. Folks want to raise their families on the land and I think a mentoring program would be a first start.

Thank you.

MODERATOR: Thank you, Tom. I think I saw Mr. Engelke.

MR. ALVIN ENGELKE: My name is Alvin Engelke. I'm from Wirt County, I'm involved with the Farm Bureau as well. I think as a statement -- I'm going to address topics one and six.

Number one, I think everybody in this room here is probably opposed to the view that was promoted by former Presidential candidate who said, "We should get all our food from third world countries." I do not think that is appropriate, wise, or economically viable or anything else. But that stated, obviously basic research as USDA would do at Beltsville and their other places that is what has made agriculture in this country what it is. I think those things are important and critical. Basic research is very necessary. And if one is going to cut funds, there are a lot of so-called Ag programs that have nothing to do with agriculture, ones that do one slicing there.

And in relation to expanding agricultural markets or whatever there is a current topic involved in West Virginia and surrounding states which those in positions of authority should be aware of, that is the wild growing ginseng which is something that the Chinese think improves their sex life when they get old. There's billions of Chinamen they're all growing older, and there's a large market, I believe.

[Laughter.]

MR. ENGELKE: And the fish and wildlife people have put a whammy on that right off and I think this needs to be addressed. I mean, when you can grow in the woods plant five years and harvest later, you know, several hundred dollars Wirth of ginseng an acre from now on to whenever, I think that is a significant possibility and I think it needs to be addressed and looked at.

Thank you.

MODERATOR: Thank you.

Craig, we'll keep you for next.

MR. RODNEY BRANSON: I'll make mine very brief. My name is Rodney Branson. I'm a poultry farmer and a cattle farmers in Hardy County. Fuel, it's as simple as that.

I'll save my time for later.

MODERATOR: Craig.

MR. CRAIG YOHN: My name is Craig Yohn. I'm a county extension agent over in Jefferson County which is one of the most diverse agricultural counties in the state of West Virginia.

Related to the second question, facing new farmers. There's a couple things I think that USDA is doing and I think they need to expand on. One of those is the crop insurance type programs that are offered. I think some of the newer products that have been developed, say, in Pennsylvania, and now in West Virginia, and a couple of other states around related to net income and trying to ensure that net income is important. We need to expand that.

We need to expand educational opportunities related to marketing. Like the gentleman was talking about soybeans or soybean meal being up in cost. You know, teaching farmers a way to use the futures market and lock in their costs or lock in their profits is something we can do.

USDA had a program at one time related to the use of options in MILC. I think that program should be expanded and give farmers another test and a safety net to try their hand at using options related to marketing.

Also related to marketing, I think encouragement and expansion of cooperatives where small farmers can get together and purchase things, many of our cooperatives that started years ago are now major companies and are probably as much an opportunity as a company --

[Tape break.]

MR. YARN: [In progress] -- things from rather than trying to get a better price. We are going to try to do that in minerals in our area as an example.

Lastly, I don't care whether you're in my county which is 50 miles outside of Washington or in the central part of the state, the price of farmland is certainly something that keeps young people from getting in. So, programs, if we go back to the Federal Land Bank that protected land for a number of years, or our Farmland Protection program, I think that's a program that USDA can put more funds into. You think about how many funds USDA put into farmland protection, it wasn't as much as the whole state of New Jersey put into farmland protection.

Thank you.

MODERATOR: Thank you, Craig.

There are six questions. I think that we've heard some comments on one and two. I know that I don't think that we've addressed how should farm policy be designed to effectively and fairly distribute assistance to producers or the conservation and environmental goals question. I'm sure that there are thoughts on those.

Dr. Hackney.

DR. CAMERON HACKNEY: Thank you, Jennifer. I am Cameron Hackney, Dean of the College of Agriculture Forestry and Consumer Sciences at West Virginia University.

I would like to echo what Dr. Cody spoke about. And that is the importance of formula funds in comparison to competitive funds in keeping our agricultural economy viable for now and for the future as well as our extension service.

If you look at a study from Iowa State University, you will see that the value of formula funds to the American public is at least five times the value -- at least five times the value of competitive funds. If you look at the extension service and the relationship between research that's done within the colleges and within ARS, which is a different entity and then getting that out to the American people and look at that value, it far exceeds almost anything that we do in the competitive area. The competitive area is very important and people often say, well, industry should be doing this. However, industry's long term is usually two years out. Our long-term research is ten and 12 years out and it's often applied.

We don't want to get into a situation like we did with the pharmaceutical industry where they decided we had enough antibiotics and they quit research then all of a sudden we ran out of antibiotics [unclear] organisms. So we need to support the infrastructure, the covenant on the formula funds, and also expand that area to look at the environment and all the other areas.

Thank you.

MODERATOR: Thank you, Dean Hackney.

I would like to remind you that you're not limited to just one trip to the mike.

Yes, sir.

MR. SAM DONNELLY: Sam Donnelly, eastern panhandle, Jefferson County. I'm not going to go over a lot of things here, but we do need to keep up what we are

doing good. We need to follow along with this mandatory price control, our ID cattle system to prevent catastrophes that have happened in other countries, and conservation reserve programs, farm preservation programs. These are long-range things and they don't get many people stirred up, but they are important and they will be important to our children and great grandchildren.

Some of the more prominent things that I like to talk about is the government's ability to be able to put a financial backing into older people who wish to pass the farm on to younger people. I'm not asking the government to put the money up, I'm asking the government to, shall we say, back up the situation, if you will, to allow this transfer. As we all know the age of the farmers are going up and it is continuing to go up and will continue to do so. So one of these days we've got to reverse or at least hold it. And we are living longer, too, and I understand that.

But the land transfer thing is very important. In the eastern panhandle where we have a tremendous urbanization program going on it's even more important. Some of your better lands in all the states, northern Virginia, Pennsylvania, Maryland are in the mid-Atlantic states. So it's important to do that.

The thing that goes along with this and I know this is a hot potato and it won't go very far, but you look at almost every farmer that you know of, who works off the farm? Someone. Why do they work off the farm? Health insurance. That is the only reason they're working off the farm. Therefore, we need to have some concept to help the rural people get economically fair and equitable health insurance.

Thank you.

MODERATOR: Thank you.

MR. JOE CASTO: Hello, I'm Joe Casto. I'm a beef cattle farmer in Jackson County as well as (unclear) manager of Farm Credit of Virginia out of the Ripley Branch Office. My comments focus around number five, probably, rural economic growth.

I feel everything else we're talking about, it's got to get down to rural economic growth. We've got to keep people in the farm communities. If the farmers are there, their monies are going back in their community. They're having kids in the schools and we've just got to keep people there. This is not going to be accomplished. I'm not talking about economic development in rural community by taking our land through eminent domain for the person at the Supreme Court just recently, with being able to use the land for commercial development. That's a very scary thing to us as landowners and that's maybe not a Farm Bill item, but it's certainly something that's really got landowners scared to death. That they can come in and take our land for purposes for development, not just schools, highways, and that sort of thing.

So with that said, I really think that the whole focus needs to be to keep our people in the communities, keep farming here and the education that we talked about is

so important and the structure we have now and everything else we're talking about is just to focus on that very key thing. Developing rural America, infrastructure comes from development of the whole utilities and everything in the communities, water, and everything, just the whole infrastructure to keep people supportive of rural America. So, do that, please.

MODERATOR: Thank you.

Over here.

MS. DEBBIE CONRAD: Good morning. My name is Debbie Conrad. I'm with the West Virginia Development Office in Charleston. And following up on what the gentleman said concerning rural economic development growth.

Our concern is with the match requirement for the grants. I think the award is 25 percent and these farmers or anybody who is interested in securing one of these grants has to come up with the additional 75 percent. That in and of itself, I think, creates a hardship for them coming after these grant applications. Most of the federal grants that we work with usually have an 80/20 percent match requirement or a 75/25 reverse, basically, what this application is, or 50/50. But we just wanted to be on record to say that it does indeed create a hardship. They have a financial hardship. I think it's been displayed here today in their comments. And if they didn't have the hardship to begin with, they would not be coming after these grants. So we just wanted to make a record of that.

Thank you.

MODERATOR: Thank you.

Mr. Workman.

MR. SCOOTER WORKMAN: Hello. My name is Scooter Workman and I'm in the beef cattle business in Pocahontas County. And Mr. Secretary, we would like to welcome you to West Virginia.

I want to echo what Sam Tuckweller said. Very well put, Sam. I think that we need to continue the loan deficiency payment in corn and in the grains. But I feel that we need a similar program in the beef cattle business, a loan deficiency payment.

A few days ago I was at a filling station and a friend of mine was telling me about buying gas at \$3.00 a gallon, 8,000 gallon, and the price went down and he was going to have to sell it for \$2.89. I didn't say anything to him, but I thought, I deal with that every day in the beef cattle business. So, please, consider that, Mr. Secretary.

MODERATOR: Thank you.

Next. Mr. Harper.

MR. JOE HARPER: Well, this will be the second of a few.

[Laughter.]

MR. HARPER: But when it comes to rural development we have a lot of potential in West Virginia on the farms that we have. West Virginia is very conducive to the production of sheep and lamb. It's the same points I made a while ago concerning our cattle. But with the predator problems we have in this state, it's almost prohibitive to stay in business unless you are an extremely dedicated individual.

We do have a Wildlife Services program and it's very effective. We have three trappers, we can know the numbers in a second. The gentleman is here that would know, but the numbers are up phenomenal this year over the previous year. Personally I lost over 200 sheep last year to coyotes. That will buy the nicest pickup sitting in the parking lot out here. This year I'm at 60-some. Now maybe that impresses some people, and maybe it doesn't, but we're talking a lot of money.

But I have the potential to run a lot more sheep than I do and the potential is here for a lot of people to run sheep. You know, we had the ewe/lamb retention program a couple years ago on the \$18 for retained ewe/lambs. It worked very well here. It didn't work as well nationally because of the drought that they had in the Rockies in the western slopes. They weren't able to capitalize on it and keep as many ewes as they hoped to keep. But it has worked and we've seen an increase in our sheep numbers of 2 percent. That's a start. And it can continue to grow, but we've got to control our predators.

We have a wildlife explosion in this country where ever you are. And we see these city people, they see what they see on TV and all and they think every animal is on the verge of extinction. You know, the anti-fur movement maybe is turning a little bit, but the population of raccoons and possums and all that is phenomenal, the foxes, and coyotes. We have more bear in West Virginia than the time of Daniel Boone. I don't know who will dispute that, but I believe that.

[Laughter.]

MR. HARPER: But my point is, you know, we live in a very mountainous rugged area, a lot of forest land and it's very conducive to sheep. And the coyotes are killing the calves now too. But we need increased money. Am I running out of time? I've got another point.

MODERATOR: You're running out of time.

MR. HARPER: One more point.

MODERATOR: Okay.

MR. HARPER: We had what I considered a pretty influential group that lobbied our congressmen in D.C. this spring hoping to get more money to wildlife services. Our congressmen who should have been the most influential on the Appropriations Committee would not meet with us. That says something. Everybody else was with us, but he's the guy that needed to bring it to the table in their conference. And we need to circumvent him somehow. And maybe USDA -- now, let me also say that I was fortunate enough to serve three terms on the Wildlife Services National Advisory Committee. So, you know, we need to work on that somehow because we have a tremendous potential here. I'll be back.

MODERATOR: Thanks, Joe.

[Laughter.]

MODERATOR: And I wouldn't expect anything less.

VOICE: You're not a predator, are you?

[Laughter.]

MR. SIDNEY PHELPS: Once again, this is my second trip back. One comment I want to make on what some of the previous speakers have said, it's from a younger standpoint.

MODERATOR: Excuse me, just for the record, could you just say your name again.

MR. SIDNEY PHELPS: Sidney Phelps, Grafton, West Virginia.

MODERATOR: Thank you.

MR. PHELPS: You were speaking in your opening statement about how you saw the new Charles Point Center and how it's so nice off of Jerry Dove Drive, the I-79 corridor with the FBI Center. One thing if you're from that area in Harrison County, Taylor County, and Marion County whether you know it or not, that used to be some of the nicest farmland around. By that going in now, they're going to try to build a new hospital, a golf course, a country club. Urbanization coming into the farmland like the Farm Bureau is saying, local government coming in and buying your land for the better use of the area. Yes, that's going to be a better use of the area and it's going to be a rural living area.

But from a younger standpoint of wanting to be a farmer, that was the best farmland. Well, that's going to make the price of land go up automatically. And as a young farmer not knowing, as one of the previous speakers said about health care, I don't have health care in farming. How can I step up, how can I afford my insurance when the economy is

skyrocketing right now? How can I afford my fuel when the fuel is \$3 to \$4 a gallon or eventually will be? How can I afford my land on a month-to-month basis when I'm not bringing in enough money?

That's all I have to say.

MODERATOR: Thank you.

Yes, ma'am.

MS. JOSIE CUDA: Hello. My name is Josie Cuda. I'm from Elkins and I'm the Executive Director of the Randolph County Housing Authority and I'm also a board member of the Federation of Appalachian Housing Enterprises which works with a lot of non-profit agencies that do the housing programs which are funded by USDA.

I realize that's one aspect of USDA, but I also am really glad that all the farmers are here because I think that they do contribute to the quality of life that we all have. We also need to contribute to the quality of life in the rural towns. And our housing stock throughout Appalachia is very old and we really desperately need some of the programs that keep these housing units available especially the housing preservation grant which we have used through the Housing Authority for several years now. But every year it gets less and less. We used to be able to help 15 to 20 families a year, now we are down to about, oh, four to eight families a year that we can help with this money because it keeps on decreasing. It is really an important program.

We know that we are keeping a lot of our elderly families from having to enter nursing homes because of the condition of their housing. Or we're also helping families who have disabled members and that we make the houses accessible through the Housing Preservation Grant Program. And I would really like to see that have more funding in the future.

One of the regulations with that program that I would like to see changed, if we don't have more money to do this is that I would like to see that we don't have to bring the whole house up to code. That if the housing meets regular HQS standards that we could at least fix the roof and keep it structurally sound until there is more money to bring the rest of the house up to code.

We do a lot of home ownership programs also.

MODERATOR: If you could just try to wrap it up, I would appreciate it. They're giving me the red sign.

MS. CUDA: Okay. It seems like I was just -- okay.

I would like to also support the 502 programs and the leverage programs for homeownership and the 525 program and the RCDI program that builds capacity in non-profits to provide housing services to families in rural areas.

The 515 program, I think we need to put more money in that for preservation of those 515 units. Many of them are not in a rural area and can't go to market because the rents are so low to support them going to market and we need to keep those units in good condition.

Thank you.

MODERATOR: Thank you.

Mallie.

MS. MALLIE COMBS-SNIDER: Good morning. My name is Mallie Combs-Snider. I'm the executive director of the Hardy County Rural Development Authority and also the public service district.

I would like to first start off and indicate that without farms there is no food. And one of the disadvantages that we have with the agriculture industry is that only 3 percent of the American population realize where their milk comes from and the food in which they partake. So it's very important that our agriculture businesses are able to get the funding that they need to be competitive because they, like other U.S. industries, have to be competitive with international and global markets. So it's extremely important that we have programs that can be responsive.

A perfect example is if we could create some type of a pilot program to address the fuel emergencies that we are currently having right now because of the costs. It's not to my knowledge that we have any of those type of emergency programs that we could help subsidize that could allow our farming and agricultural industries to be competitive.

One of the other things that we do is utilize the infrastructure, and it's extremely important that we have the weather funds that we have to extend weather services throughout rural areas of West Virginia. We would like to maintain the existing funding of the USDA, not cutting any of the office or any of the programs that we currently have that are beneficial to allow our industry and our businesses to remain competitive.

Thank you.

MODERATOR: Thank you, Mallie.

Next.

MR. LARRY COTE: Hello, again, Jennifer. Larry Cote, West Virginia University State Extension Director.

I would like to make just one very specific comment related to question five, the enhancement of rural economic growth. And I know Rob Steptoe Rural Development Director for this state is in the room.

About two years ago under the former governor of this state, the then sitting development office director came to visit me with his associate in rural development and asked me the very specific question, "What really works in rural development? What are the best practices so we can sort of get through all the rest of these things?" I would suggest, and it's getting back to that question of a balanced portfolio between competitive funding and base funding. One way the federal government can affect things more directly is in competitive funding making that very targeted funding. I'd suggest that a very efficient process can actually describe, better than we now have available, what does work under certain conditions. And I think we'll find, by the way, that there's a fairly simple formula on what works, but very difficult to implement.

So my suggestion would be, as we look at particularly categorical competitive funds that we describe what we're after and what the end result will be, specifically in best practices in rural economic development.

Thank you.

MODERATOR: Thank you.

We are going to go for about ten more minutes and then we are going to take a short break.

MR. RODNEY BRANSON: Rodney Branson, Hardy County. I would like to talk about a couple of conservation issues. There are so many BMPs that's being asked of us to be put in place. We need 100 percent funding as you've heard. You've heard people with other problems and we don't have the resources to be able to put into more conservation programs no matter what the cost is.

Rip-rap something that used to be used for years and was very effective. We've got three sites, two on farms that we rent, one of our own that we can't get addressed because there's no funds out there to address it. One particular site the land is sheering off falling into the Cacapon river by the acres and every large rain it's an issue. Yet we can put a wildlife habitat along that stream, we can get all kinds of tree plantings, the thing was in trees. But we can't get money for Rip-rap.

We've got a site in North River that the river is ready to pop out of the banks. It's going to create a new channel down through the middle of that farm. No Rip-rap monies. We've got another site that was caused by a flood control dam that is doing a very effective job, but it created another small problem. And I can't get funds for it. I have an engineer drawing for a natural stream restoration project and that's fine too, but there's no money for that. So we need more money for Rip-rap.

The last thing I want to talk about is where we are going with our Ag programs. Well, it seems to me that we are no longer being geared towards being farmers. We're being geared towards park keepers with our programs. We could get paid for a natural riparian zone along a stream that has to grow up into its natural trees which climax forests is the ultimate goal, but yet we can't graze that. If we could keep that land in production, we can't even make hay off of that land, and yet we know that in many of these sites grass buffer does a far more effective job filtering nutrients, fecal coliform and those things.

When we look at these natural riparian areas and wildlife habitat areas, you know, why would we want to bring more deer down to the water's edge where we get accused for the fecal coliform that they put in and people say it's our cattle. Why would we want to bring it down to where they can eat our crops when we're struggling to survive. We have Chronic Wasting Disease in West Virginia because we are concentrating our deer herd. Our habitat is going when we look out into the forest area. You can't even plant trees in order to survive.

MODERATOR: Rodney, if you could wrap it up.

MR. BRANSON: Thank you. I'll comment later.

MODERATOR: Thank you. We had --

[Applause.]

MS. CAROLYN INGLE: Hello. My name is Carolyn Ingle. I am nobody important, so you don't have to listen to me. Welcome Commissioner Douglass and Under Secretary Dorr.

I am just a private citizen. I'm on the perimeter of farming. I own a farm and I rent it out to grazing. I don't even have my own animals. But I am extremely interested in agriculture and farming and what future it's heading toward. The point I want to make is our farmland and the use of it.

We are losing farmland at a rapid clip all over the country and I want to compare this country's policy to those in Europe. Europe has been settled for so long they have found unless they protect their farmland it will disappear under concrete or for houses. And so they permanently protect farmland and no one can buy it or sell it. It's just there. And so I don't know how new farmers break in, maybe they have to move. But anyway, I do think we need a permanent way to protect our farmland to add some value to it that it does economically produce just because it is farmland. Just because that's where our food comes from.

The other point I want to make is after hearing Joe Harper say that our pastures are (unclear) --

[Bell ringing.]

MS. INGLE: Am I finished?

MODERATOR: No, you're fine, keep going.

[Laughter.]

MS. INGLE: I'm a retired school teacher, so you know I have to follow bells.

Unless I'm wrong, I believe our food in the United States is the cheapest food in the whole world. Our prices are lower than anyplace else in the world. And I think our food maybe needs to be more expensive so farmers can get something back.

That brings me to a third point and that is, when I go to the grocery store, I've found that I can pick through the frozen vegetables and the produce and find the cheapest one. And you look on the back and it says, "grown in Mexico" or "grown in Paraguay" or grown in -- and it's cheap. I always want the cheapest thing, it looks like food to me, or it's from some other country. But those countries don't have the OSHA laws we have, those countries don't have the pesticide laws we have, those countries don't have the protection for the streams that we have and watersheds and they're getting all this and there's cheap labor. Now, they're growing that food and sending it here, what is that doing to our farmers?

When I find a package of food or when I see that my --

VOICE: I think that's three minutes to her.

MS. INGLE: Even when I see -- even when I see --

MODERATOR: If you could just speed it up.

MS. INGLE: Even when I see beautiful strawberries in the grocery store, and it says on there from California, well, I don't want strawberries from California, I want strawberries from right around where I live which is Pendleton County, West Virginia. I want local stuff and there's no sense in truckers paying all that money to bring that cheap California valley produce over here.

Okay. Anyway, I think, what is that doing to farmers? I think we should be aware of what we're buying and not ever -- what do you call it -- not ever acknowledge that new CAFTA or the old ten-year-old NAFTA rules because all of that is cutting American farmers.

Thank you.

MODERATOR: Thank you. We have time for a couple more before the break.

MR. DOUG PAULEY: I'm Doug Pauley. I'm a developer out of Charleston, West Virginia. And I'm here to speak on behalf of the rural development housing programs.

I began working with Farmers Home or Rural Development now back in 1987. And if it wasn't for the 515 program, after the many floods in southern West Virginia, there wouldn't be sufficient housing in southern West Virginia. The infrastructure was tough, but with that RD staff we were able to put some housing down in Mingo County, McDowell County, so the 515 program is a program that's much needed in West Virginia. It holds the infrastructure. In West Virginia, if we didn't have the help of RD, a lot of people would be without safe, sanitary housing.

Also, RD began a 538 program in the early '90s and I think West Virginia was the very first state to get an allocation under that new RD 538 program. That is still an ongoing program that is getting a lot of housing in West Virginia that otherwise, again, people wouldn't have a safe, decent place to live. Even this year because of the efforts of RD we got the federal funding to do more 538 deals in West Virginia. Rural Development has directed us to small communities. Of course, we are developers, we watch Donald Trump on TV, we think bigger is better. But they started an initiative some years back to win the small communities with small developments with their 515 and 538 programs. So anyway, this is a much needed program in West Virginia more than many states because of the guarantee they have under their 538 program allows me to get financing for multi-family to keep the rents at a level that West Virginia folks in rural areas can afford.

Thank you very much.

MODERATOR: Thank you.

MR. RANDY DODD: Good morning. I'm Randy Dodd, director of the West Virginia Division of Forestry from Charleston.

Mr. Secretary, welcome to the third most forested state in the nation. We are 80 percent forested, 12 million acres of forest land. We've heard a lot about the farm, but the majority of land is forested. And that adds great value to the economy of this state. Forest products industry contributes \$4 billion. But as you are probably aware, the forest products industry on a global basis is in jeopardy because of threatened worldwide competition.

Fifty percent of our products are exported. The bulk of that going to China to new evolving markets. The third world developing countries do not have the same environmental standards we do, therefore competition will become much more severe in the future.

Therefore, I think we should consider some sort of payment for ecological services that the forests of this state and nation provide such as clean water, carbon sequestration, wildlife habitat, and the like. That will help maintain our position and be globally competitive in the forest products industry and reward the landowners of the state and nation, forest landowners that provide not only forest products, but all the ecological services also.

Thank you.

MODERATOR: Thank you, Randy.

Dennis, how about you and then we'll take Jim Foster.

MR. DENNIS FUNK: Dennis Funk, Hardy County, poultry beef cattle producer. Number four and number one kind of goes hand in hand, but number four really touches home to me. I really think it's essential that we get DEP, EPA and whatnot to realize when they are setting these goals and guidelines, one to make them realistic that they can be obtained and two, to make sure that it is farm-related pollutants that they're talking about.

There's something that amazes me. I go down to Washington, D.C. quite often and it amazes me when you leave Hardy County and look at the Lost River, Cacapon River, Potomac River and even when you go down through Shepherdstown you can see the bottom of the river, Potomac River in Shepherdstown right before it goes into Maryland. But when you get down to the marina area which is 7th and Maine Avenue, down in D.C. which I know real well, and you look at the Potomac and it's got to be the cruddiest water that you've ever seen. And it makes you realize now when it leaves the state of West Virginia, it's clear and pretty and you can see it, but yet when we go to all these EPA and DEQ meetings and whatnot, it's always the farmers that gets the blame.

I think that the federal level needs to take a hard look at the goals that are taking place and make sure that before the blame is all put on the farmers and us in the agricultural community that it is the agricultural communities causing the problem. A good example of that, if you keep up with the model of the Chesapeake Bay, the last meeting we were in, if all agriculture that fed the Chesapeake Bay did 100 percent, it changed the model numbers very minute. It didn't even make a change in it. So it either tells me that one, the model numbers are wrong; or two, agriculture is not the problem.

Thank you.

MODERATOR: Thank you, Dennis.

[Applause.]

MR. JIM FOSTER: I'm Jim Foster. I'm a beef cattle farmer from Doddridge County. That's my second career.

I would like to talk to you about technical assistance to the producers. There seems to be a move now that only those who are enrolled in a farm program are getting technical assistance. And all of us, whether we're eligible for a farm program or not, we need help in laying out ponds, developing springs, and so forth. I would like to see some kind of a permanent funding set up for technical assistance that don't come out of a Farm Bill program, that we have this technical assistance available to us any time we want it.

MODERATOR: Thank you, Jim.

I think we will take one more before the break.

MR. BRADLEY MEADOWS: Okay. My name is Bradley Meadows and I am from Braxton County. I would like to see more funds put into the farm preservation Act. That will help on our infrastructure and farmers are the best environmentalists that you will ever run onto.

Thank you.

MODERATOR: Thank you.

Before the break, I want to say I know that some people were skeptical about the forum, but I can tell you that the Under Secretary and the Commissioner are taking copious notes. And I know that they are very interested in what you have to say. So I think with that we are going to take a ten-minute break and come back for the second half.

[Brief recess taken.]

MODERATOR DAVID SNIVELY: We are still working off the first six questions. A little bit later before we close we will have an open mike Friday. I see Joe Harper making his way to the microphone.

MR. JOE HARPER: Yes, this is Joe Harper again and while we're on rural development, I want to make the point, and it's already been brought out by a gentleman from the Forestry Division that forest products is a large thing of our economy. And this weekend and this week we are celebrating the Forest Festival. All of us farmers in this area are also in the timber business.

We have timber to market periodically, and usually we selectively harvest. But having a viable timber industry in West Virginia is important to all of us. It certainly has created thousands of jobs in this state in the last 15 years. And it's a vertically integrated industry here. So it's something that we need. But let me bring out the main point. The National Forest Service owns 52 percent of my county, Pendleton, maybe more of Randolph and more than that of Pendleton County. They're revising the Forest Service

plan that it sounds to me they may be marketing more timber. They have virtually marketed none for quite a while.

I personally know of a thousand-acre tract the Forest Service owns that was ready to harvest in '74, it's never been harvested. The trees are probably hollow and the grade of lumber will not be very good. And that's no different than you going to the bank and throwing a thousand dollars a week in the creek. But that's government money or our money. And a lot of that money comes back to our school systems. So we need more practical use of our forests. I'm an environmentalist too. But we have to middle of the road on a lot of our issues. We can't be far left or far right. And we've proceeded too far left on too many issues. And the Sierra Club seems to run the Forest Service.

I agree with 85 percent of what the Sierra Club says, but the other 15 percent we're not close. And there is such a thing as a silent majority and it still exists. But we don't have the time, nor the money, nor the expertise to challenge them.

[Off microphone comments.]

UNDER SECRETARY DORR: I think it was a good comment. I just wanted to point out that we have probably one of the most highly qualified under secretaries for NRCS in Mark Rey. And he is very cognizant of a lot of the issues that you're talking about and I think is very, very actively involved in trying to address a number of those issues.

MR. HARPER: That's great and I think the point that we're seeing a revised plan that may be more in tune with industry and the society maybe comes from him.

I also want to make one other point. I talked about our excellent grazing land. When our forefathers cleared our grazing land, that's the same kind of land that this timber is growing on. And I'm told that the hardwood lumber in this area is the best hardwood lumber in the world.

MR. WALT SCHMIDLIN: Walt Schmidlin again. And I told you before that I retired from the dairy industry. When I retired from the dairy industry I went to a 200-head beef operation and raise 250-acres of corn, which I locally market. And Mr. Tuckwiller had alluded to the CDP program. Great program, it helps the farmer out. And I'd like to see that continued.

But more than that, I would like to see the on-farm price raised enough so that we didn't have to have those programs. You know, we go out here in the public and they say, well, you know, you guys are receiving all the welfare because of all these government programs. Well, you know, I for one do not want to be included in being a welfare recipient. I work hard for what I receive. I like to be justifiably compensated for that. And the plans, the programs that the Farm Services Agency has in place now many of them are very good programs. The difficulty that we have is that FSA employment is down. You don't have enough people to administer the programs that need to be

administered. You know, they come out on my farm and do a yield test. I may have to wait, six, eight, ten weeks, to get somebody to my farm to do a yield check. And, you know, here I am trying to harvest my corn. These guys are running themselves to death and they can't get done the work that needs to be done.

A comment about the timber in the area. The current forest plan that we're operating under allowed for 15 percent, if my figures are correct, which I'm almost sure that they are, 15 percent harvest of the timber on the National Forest Service. That money that comes from that, federal payment-in-lieu-of-taxes, money comes back to the counties. I serve on the Randolph County Commission. Last year we got \$280,000 in payment-in-lieu-of-taxes, which a lot of that money went to help the school system out. Some of that money went to help county programs out. Very much appreciated. There's always been a concern, in fact there was a push a couple of years ago to do away with the PILT money and, you know, coming from a professional side as a commissioner, those things need to be continued.

The Forest Service really doesn't need a new plan. They need to live with the one that they've got.

Thank you.

MR. BOB JACOBSON: My name is Bob Jacobson. I am a landowner in Upshur County. I also work for Region 7 Planning and Development. I grew up on a farm. I have an education, graduate degree in agriculture. And I'm concerned about the forest plan also.

On one hand there's a statement that says there's going to be more harvest. But if you really look at the wording on the alternative that is being promoted, they're going to take 158,000 acres out of production and they're going to do it by language. They're going to say, we're going to turn this into a zoological area. And usually when you turn a tract of land into a zoological area in the national forest, it's going to be hands off forever. They say we'll go in and manage it, but noncommercially. So we are looking at a very subtle thing where they're going to increase the old growth that the old forest plans said 5 percent, but they're going to increase it by language to a lot more. I think we need to remind, maybe, the Forest Service of the difference between conservation, which is wise use of natural resource, and preservation.

Thank you.

MODERATOR: Thank you.

Next.

MR. RANDY DODD: Again, Randy Dodd, State Forester of West Virginia. I just wanted to comment to the crowd, if the moderators don't mind, that I believe the forest plan for the Monongahela is separate from the Farm Bill. And I truly appreciate

the comments that I've heard. And as the Secretary said, Mark Rey who deals in that area, and I was with him earlier in the week, is well aware of that situation. And I would encourage you to send your comments to the supervisor of the Monongahela right here in Elkins to address that issue.

Thank you.

MS. NINA MONROE: I'm Nina Monroe. I'm here representing Adrian Public Service District. We are a rural water utility. And I wanted to speak to number five, rural economic growth, which we all know requires a safe, reliable source of water. And I would just like to say, we just completed a project the end of 2004 beginning of 2005, a water line extension that was funded through the Farm Bill. And we appreciate that and want to encourage you to continue funding water projects.

Currently I have in my office requests for water for southern Upshur County, probably totaling \$10 to \$15 million. Due to the fact of low population density, meaning less revenues coming back when we do build the water lines. We need help building them and we want to encourage you to continue funding water project.

MODERATOR: I don't seem to be working here. Okay. There we go. Next.

MS. CAROLYN INGLE: I'm Carolyn Ingle. This is my second round. And before I said I wasn't important. But maybe I have a little bit of importance. I do have a master of science degree from the School of Ag Sciences in West Virginia University. It's not in agriculture -- well, its in entomology, which is insects. But, anyway, that's my claim.

But, anyway, I want to give a different opinion from our well-respected Joe Harper. He's a very smart fellow and a very widely respected farmer. But I thought I'd just to make a comment about the trees in the Mon Forest. You know, I am still a person of faith, I believe in God and I believe he's the creator and I think he's capable of growing a wonderful forest.

I think back in the 1850's and maybe a little earlier when this whole area was being logged I think people didn't complain about that this forest has not been managed. The trees are too over mature. You know, they're ten feet wide and they're ever so tall and the forest would have been better if it had been managed by people.

Well, I'll tell you what, I don't think God is such a bad gardener, okay. I think it's okay if we keep some things as they are without the stamp of man. For one thing, there's hardly anyplace left without the stamp of man and how will we know what God would do if we would let him do it. So I do know they keep some forests in the Mon Forest up to 120 years old which is old. But, anyway, I think there's more to the whole forest issue than we know. I think it's such a huge and complex web we don't understand what all it is.

Okay. The other thing I wanted to say is different, not about the trees. And that is about the West Virginia farmers. No, farmers all over the world. It's occurred to me that I believe that farmers are addicted gamblers. And every year they buy those seeds and put them in the ground and they always -- you know, they're going to win, they're going to win, but the best farmer in the world can't grow a crop if the weather isn't right, if there's no -- you know, if there's no water or if there's a hail storm, or a disease gets into his animals. And so I think the American farmers need more -- I don't know what to say they need, but they need more guarantees that if something goes wrong they won't starve and have to sell their farm and sell their children, you know, and all that.

So thank you.

MODERATOR: Thank you.

Next, please.

MR. DENZIL HUFF: I'm Denzil Huff, I have a small farm in Gilbert County, West Virginia. These comments will be related to all six questions. I really thought I had two minutes to talk about all six of them.

Everyone would like to believe that the 2007 Farm Bill will be one to benefit the agriculture producer economically and provide a means for farmers and ranchers to enhance the environment through conservation practices. However, we all know that we do not live in a dream world. The farm policy should provide for economic viability for farm families within the United States. The infrastructure such as roads, water, sewer and other basic necessities need to be made available to all rural families the same as the urban dwellers receive.

Support for young farmers, young families wanting to enter agriculture should be provided on a long-term basis through low interest rates with economic credits for longevity, community contributions and so forth. We have many conservation programs in place presently that effectively enhance agriculture production and rural economic development. Although there presently seems to be a move in USDA to eliminate field personnel to deliver these programs I hope this trend will be reversed soon.

Research and development in our Land Grant Institutions must be expanded to locate and develop uses for U.S. agriculture production for energy, medicines, and other alternative products. We are not pressing for the high sixes from our young people, our brightest and best young people. As you know a few years ago U.S. agriculture was used as a pawn to dictate world trade policy. It was a mistake then and it will be a mistake again if it's tried.

NAFTA was touted as a panacea for North America. It has not worked for the United States and I don't think it will ever work. The idea of Senate bill 2941, the North American Investment Fund should be DOA on the Senate floor.

CAFTA is going to be so bad for U.S. agriculture and especially West Virginia agriculture that the West Virginia Republican Congressman -- Congress lady Capito voted against it. I know we presently depend on export revenue in the agricultural community. However, our trade deficit continues to grow. It is time to consider an Ag policy for the American farmer and rancher. We need to keep agriculture viable in the United States rather than thinking about how it will play on the world stage.

USDA should somehow try to influence our immigration policy and our border control. Our borders need to be secure. If we need foreign workers they can be verified and imported and exported just as easily.

Thank you.

MODERATOR: Thank you, sir.

Next, please.

MS. KAREN JACOBSON: Hello, my name is Karen Jacobson. I am with the Randolph County Housing and also the Woodlands Development Group, which is a non-profit housing developer in the area. I'm here to talk about the importance of the RD mortgage products and also the capacity building programs.

The RD mortgage products are really critical for this area because they allow first-time home buyers to get into new houses that we and other non-profits and other for-profit developers are building. We build eight to ten houses a year for working families that make 50 to 80 percent of median income. And those products, both the 502 and the 502 leverage make all the difference in getting those families into those houses. We do a lease purchase program with them that also helps. Because if they have some issues or they need to save some money they can do that while living in a new house. Housing is a huge economic development issue in our area. We have aging housing stock and a real difficulty with safe, sound, decent, affordable housing for people.

On the capacity building side, the RCDI program is a program that the Housing Authority brought in a couple years ago and it's helped three non-profit organizations and the smallest incorporated town in West Virginia reach goals that they never would have met without it. It's a tiny amount of money that's leveraged by cash of the same amount. The grant was \$158,000, we raised cash resources of another \$158,000 and helped do things like get a community technology center in the town of Montrose, helped three non-profits through big times of transition, one to hire its first staff and triple their production of both rental and homeownership units. Another to transition a community development corporation to be a stronger organization. And the third to grow to significantly help folks that are first-time homebuyers, a local homeownership center. And it's a very unique program, there's nothing like it. So just wanted to put in a good word for that.

I would also say about the 502 leverage that it's another great, you know, bang for your buck program in terms of the taxpayer because, you know, that leverage program

comes in with a lot of private and other public resources that we get through things like the Federation of Appalachian Housing, Community Works, other regional groups that raise money from foundations and religious organizations to use as mortgage financing. So that's a really good program too.

Thanks.

MR. GARY OKES: Good morning. I would like to welcome you all as well to this great state of West Virginia. My name is Gary Okes, I'm from Wood County. I'm also president of the West Virginia Supervisors Association.

There are 14 districts across this great state working with the cooperators and doing a great job to put conservation on the ground. But they do need help with money as well as technical assistance. And I know the money is going to be tight, but as you have heard here this morning from everybody else, everything is going up and the money only goes so far.

I want to address question number four. And I believe marketing is the other question that I don't think there's a farmer in West Virginia that would rather be sitting in a condo in Florida versus standing in the pasture field in West Virginia. But if he can't make it on that pasture field, then he has to do something. So if the farmer could make a profit, I think that would take care of a lot of the selling of the land to urban development or otherwise. So thank you.

MODERATOR: Thank you. There we go.

Is there another one? Thank you. Yes, ma'am.

MS. BONNIE SARRITT: Good afternoon. My name is Bonnie Saritt and I am the executive secretary for the Huntsville Public Service District here in Randolph County. I'm also president of the West Virginia Rural Water Association.

First of all, I would like to say thank you to USDA RD for the money they have provided into the county. We have been very fortunate to be able to provide water and sewer to many homes, clean up some areas that had bad water, and then to provide water to homes who have never had water. And, again, we want to say thank you for the assistance you've been able to provide us with that. And also to ask you to continue the funding that you have allotted through the years and hopefully add to that. Because right now on our desk we have around \$25 million Wirth of projects that we would like to see done, sewer and water. And if we could get those finished, we would pretty much have good sewer and water throughout Randolph County.

The other area I would like to address very quickly as president of West Virginia Rural Water, that also is a program through USDA. And it provides circuit riders to work across the state of West Virginia. We have three work in sewer and three work in water. Some of the things that we do, the circuit riders do is provide training, technical

assistance, safety, operator training. But the biggest thing we are really proud of is we are the only state in the United States that has a mobile water treatment plant. We can take our treatment plant anywhere in the United States and use it in case of emergency. Of course, West Virginia we have used it. We took it to Mullins when they had flooding down there several years ago. As a matter of fact, that plant is still there. Our operators went, that's our circuit riders went, got those folks back up and running, they had water and that is something we're very, very proud of. And, again, that is the program that is through the USDA RD.

So, again, we want to thank you. We ask you to please continue the funding and see your way clear to hopefully add a little bit to it. Thank you.

MS. KELLY BOWLES: Kelly Bowles, Agriculture Development Officer for Jefferson County Development Authority. I would like USDA to do a national marketing and education campaign on the benefits of buying food grown in the United States.

MR. CAMERON HACKNEY: Cameron Hackney, Dean of the College of Ag, Forestry and Consumer Sciences again.

Mr. Under Secretary, I think you can see very readily that the farms and agriculture in the Appalachian region, which covers 13 states, are quite different than that of the Midwest area. We hope that when the Farm Bill is considered they will consider this type of agriculture, heavily in foraged, heavily in niche markets, whether it be out-of-season lambs or specialty crops or organic crops with an integration of many aspects for farming everything from animal to plant to agri-tourism to aquaculture and a whole variety of things it takes to keep a farm profitable. We are talking small farms throughout the 13-state Appalachian region.

And I wanted to echo what Commissioner Douglas said. It is still a very important part of American agriculture, perhaps not making up the dollar value as some of the Midwestern states with California or Texas, but certainly impacting the rural communities of these states.

Thank you.

MODERATOR: Thank you.

Bob Williams.

MR. BOB WILLIAMS: Hi, Bob Williams, Executive Secretary of the West Virginia Farm Bureau.

First of all, Mr. Under Secretary, I want to thank you for bringing this forum here. As you can see, West Virginia farmers do in fact have concerns and items on their mind and we are very pleased that they are certainly not afraid to speak their mind and tell you what they think about some of the issues.

What I would like to talk about for a moment is the conservation title of the Farm Bill. It's probably the most important -- the most heavily used part of the Farm Bill by West Virginia farmers. And we've had folks talk about the environmental issues and a lot of the conservation title is focused on protecting the environment. And farmers are absolutely the best environmentalists that we have. They're concerned about the environment and what effects they have with their farms on the environment.

And those programs that are focused specifically on environmental issues receive the same kind of cost share benefit as those that may have some production improvement capabilities as well.

We believe that those programs which help the farmer improve his bottom line as well as protect the environment are well programmed today. But those programs that are specifically directed at protecting the environment oftentimes at the cost to the farmer of his bottom line in addition to the money that the farmer has put in, in cost share. Some of the folks in this room have put hundreds of thousands of dollars in cost-share programs strictly for environmental issues.

We would like to see USDA consider a much higher cost share on those programs that are specifically environmental protection programs. Rather than a 50/50 match or 60/40 match, we would like to see those go to 80/20 or even 100 percent. When a farmer steps up and says, yes, I'm willing to take some of my land out of production in order to help protect the environment, we would like to see USDA Farm Bill focus on helping that farmer accomplish that.

MODERATOR: Thank you, Bob.

MS. DEBORAH STILES: Good morning and welcome our distinguished guests. My name is Deborah Stiles and I actually am a farm wife in Tucker County. My husband, Dave Hedrick has dairy and beef and we have a sort of a mixed farm. I also have a joint appointment at WVU. I have an appointment in extension and also at the Davis College of Forestry, Agriculture and Consumer Sciences. And I'm so new that I actually messed up the title there. So I apologize to my boss, my boss, and my boss.

[Laughter.]

MS. STILES: The three bosses that I have here. I wanted to tie together a couple of points that were made by some of the previous speakers. In terms of how this Farm Bill in its conception and in the larger issues can address the needs of small, marginalized areas of the nation like West Virginia, like Appalachia. And to do that I have to say that in addition to my three bosses here I also am the extension specialist in family life here for the State of West Virginia. And what that means is, I am the state advisor for the organization known in this state as TEOS, Extension Homemakers elsewhere in the nation, that works very closely with extension and other groups. It's primarily made up

of women, but it's not an exclusively woman-only organization. It's a service organization.

I've also been living, although I was born and raised in West Virginia, and a proud member of FFA and 4-H, I have been spending the last ten years in Canada. So I would like to echo what the farmers said in terms of the conception of the Farm Bill in paying attention to the big issues, we do need to stop dumping into developing countries and reeking havoc with their economies and at the same time reeking havoc with the smaller marginalized economies in this nation. Because if we don't stop doing that, we will not have family farms, we will have corporate farms. And so I would ask that the USDA consider how we can continue in the conception and the details of the Farm Bill, continue in reference to question number three, continue the trend toward the one-stop shopping, the FSA, the easy access to programs. But in terms of number four, to echo the Farm Bureau's comments, greater support of the current programs, but change the percentages in terms of support and use local mechanisms like the county committee and the county agents to help to deliver programs as opposed to larger structures further up the line.

I wanted also to echo the comments of Sidney and Michelle that we need to invest in our next generation and we can do that by putting the focus on local food systems.

I've been living in Nova Scotia, it's a marginalized area of Canada and yet, if you go to the supermarket, if you go to the local convenience store you can get local things produced right there within 30 miles of that location. In West Virginia, although we have a really wonderful West Virginia growing program, we are not doing enough and I think that it needs coordination between federal and state partners to ensure that we can eat locally and thereby avoid the problems of biosecurity.

Thank you.

MODERATOR: Thank you.

Joe Gumm.

MR. JOE GUMM: Good afternoon. My name is Joe Gumm. I represent the conservation arena in Randolph County as well as south state.

I haven't heard too much today about conservation districts. I know we have 14 conservation districts in the state of West Virginia and if you get on an airplane, from that east coast and go to the west coast, and throw your hat out the window, it would land in a conservation district.

The issue that I want to address most importantly would be from West Virginia and that's grassland. Grassland in West Virginia is probably 70 percent of our Ag product. So we do have a good partner with the NACD, the NRCS, and we would like to

continue that effort and we would like to continue support from that arena as well as others in the conservation department.

Thank you.

MR. CHARLES WILFONG: Thank you, I'm Charles Wilfong, a farmer over in Pocahontas County and also president of the West Virginia Farm Bureau.

I just received a laugh in the back. I told them I was going to talk -- get it done in two minutes and Bob laughed at me. So I'll continue.

I would just like to say to start with, you know, it's been said many times today, you know, that we do have some of the most productive grasslands as Joe was just saying, you know, in the country. You know, our trouble sometimes has been to utilize all those, you know, having some tools in place that we need some help with once in a while.

You know, the predator control program as Joe Harper had spoke about a little earlier is one of the big problems that we have in utilizing much of our grassland. You know, we appreciate what's being done through wildlife services, but we sure do need some more help.

We need extra funding. You know, we've been working with our state legislature to get extra funding for that program and we are funded somewhat there with like \$140,000 a year. But we do need some extra funding in order to get more feet on the ground and more people out in the field to help with the ever-expanding problem.

You know, it used to just be a problem in a few isolated mountain counties. Now we are having problems, you know, with sheep and cattle predation all over the state. So any help in that area would be greatly appreciated and shifting of funds.

And, you know, agriculture in West Virginia sometimes isn't recognized with the importance that it needs to be. You know, agriculture is the backbone of many of our rural communities and counties. And as you realize, you know, we need to expand on that and we need the ability to grow our agricultural industry all across the state.

There are a couple of issues that whenever the analyses are being done on trade agreements, you know, I would hope that in those analyses that we don't give away too many commodities. In working with Farm Bureau there's a lot of frustration at times, you know, with NAFTA, CAFTA, the Australian Trade Agreement, you know, we all understand we have to trade. But with NAFTA we gave away fruits and vegetables. With CAFTA we kind of compromised sugar. With the Australian deal we have a little bit of problem with cattle and sheep. And, you know, we need trade deals, but in the USDA's analysis of these trade deals we hope that we don't give away one commodity at a time because, you know, after a while we don't have any commodities to give away.

And, you know, we just hope that there is very high scrutiny of our trade agreements so that we do protect the integrity and the productivity and the profitability of American agriculture in those deals.

MODERATOR: You are really close. Can you hold your thought there and we'll go to the next one.

MR. WILFONG: Will do. I'll be back.

MODERATOR: Okay. Next, please.

MR. ANDREW PRICE: My name is Andrew Price. I'm a beef and timber farmer from Monongahela County. What I would like to speak on, we are attempting to get a farmland protection group going in our county.

Two things, one is for the immediate, what would help us out a lot is to allow timber to be managed as a crop through farmland protection which it is not right now. So that excludes a large portion of a farm. Also excludes the group of individuals that would be interested because almost every farm in West Virginia has a large timber tract or a portion of their farm. And it represents a large portion of their income as it does for us.

And two, I'm a Black Hawk pilot with the West Virginia National Guard and as such I get a different view of this state and surrounding states. And I will say this, the farmland protection is a great thing for what it's worth, but it is just a Band-Aid on the situation. Because as much as we're losing to development, we're losing ten times more acreage to just folks getting out of the farm business and letting it grow up. So in the future, not only can young farmers not afford it, they won't be able to find it. We have a lot of ground out there that is good grassland. As we've all talked about, we're grassland farmers in this state. And it's quickly reverting back to timber which is not a bad thing, but it doesn't grow a lot of cattle and it doesn't grow a lot of sheep.

My best guess would be to immediately help young farmers through a grant program or some sort of tax incentive program that will allow these young folks to get into it. Because to be honest with you, even with the farmland protection and we get it down to where we're just agricultural dollars, you're still outside the ability of most folks to buy into it. I mean, Pennsylvania's ag land up there is \$10,000 an acre plus. And it's quickly getting that way down here for the surrounding outside edges of the state. So we need to expand the protection to make it good. Thank you.

MODERATOR: Thank you.

Charlie, thank you for yielding the floor. We'll give it back to you now.

MR. CHARLES WILFONG: Okay. I appreciate that. I just had a couple of other points. You know, under the conservation title, you know, those programs are very

important to our producers in West Virginia as has been voiced several times here today. You would hope for the continuation of those.

You know, something that doesn't get a lot of attention in this stat, you know, the countercyclical payments on the crop programs. But we do have areas in the state where those are important as well. And, you know, we need to realize the importance of having that protection, you know, when the price of crops are down and also it helps to guarantee that we do have a supply of crops to feed the cattle and sheep that we produce here. And many times our producers fail to recognize that those crop programs are also important to our livestock operations as well.

One thing that I think we need to add in, and you know, whenever we start talking about the next Farm Bill, you know, the big issue that I keep hearing about every place I go is the price of fuel and the effect it's going to have on our operations. It will dramatically impact your natural gas prices, dramatically impact our fertilizer prices, our plastics, our fuel directly. You know, if we are going to continue on the same cheap food policy that this country has for a number of years, we're going to have to have some kind of a component in the Farm Bill that helps to alleviate the disruption that's being caused on our bottom line by the high cost of fuel.

And I don't know, we would have to maybe have a trigger or something when fuel prices pass a certain level, you know, maybe we would have something that would kick in. Something to think about. But I think it's going to be a very, very important issue to agriculture.

I will just mention about the availability of farmland. You know, there's been some surveys done among young farmers. The biggest issue facing most young farmers is the availability of farmland. And that's going to be even worse with the developmental pressures that we're seeing all across the state and the non-use of some land as was just stated. You know, we hope that there will be some more funding in the next Farm Bill for the Farmland Preservation Program. Knowing full well that that can't solve the problem in itself. You know, we have to have state programs, county programs with the help of the federal programs to help preserve some of the land. Because without the base of our farmland in these areas, it can very quickly disappear.

One other thing I would like to mention to you. I hope there is very careful consideration given whenever the closure of offices across the state or whenever that gets into full swing. And I understand that it is ready. I know all across the country I know we have offices that need to be more efficient that probably do need consolidation.

In West Virginia we have some very large geographic areas that are served by offices now. And we hope that those geographic areas are given some consideration in the process as well so that people don't have to travel too far to get to their office. But because consolidation might limit the participation by some of our farmers, you know, if you get too far away from offices in order to take part in those programs. So hope that is thought about very carefully whenever any closures are considered.

MODERATOR: Thank you. I think I saw -- yes. Jim was sneaking up on the mike.

MR. JIM BOSTIC: Jim Bostic executive secretary of the West Virginia Cattleman's Association. I would also like to welcome you here to West Virginia, Under Secretary.

I would like to make some general comments about production agriculture in keeping farmers on the land. Several times here today we have heard the term, "the cheap food policy" and there's no doubt, Sam, that's probably going to continue. Governments stay stable by having a cheap food policy. So we need to look at our Farm Bill with that in mind.

And in looking at production agriculture as a business, there are only two ways to stay in business and that's increase your prices or decrease the cost of production. And we are probably not going to increase the prices of our products that much. So we need to look at the decrease in our production. Whether it's through assistance programs which have been touched upon, or whether it's through research through the universities to try to determine ways that we can do that.

First I would like to touch upon the assistance programs. A couple of times here today people have said or used the word "welfare." There's no farmer that wants to say that they're taking welfare. And they are not welfare programs. But one of the things over history that has disappointed me, when the media picks up on those terms and farmers are getting all these supports, it seems to me like the USDA and other government officials have not stood up and taken up for the programs and why they're there. The programs are there to keep the prices of food low.

So I would like to see in the future USDA stand up for those programs for what they're there for. They're there for assisting the farmers.

And finally, on research programs, I know West Virginia University, along with other people across the country, have started focusing on some research that will focus on cutting costs to farmers. And I would like USDA to seriously look in the next Farm Bill at ways of funding programs like that that maybe in the future can cut back on some of the assistance programs that are needed.

I did say "finally" but I will want to say one other thing. The coyote control program or predation control program is very important to West Virginia. As it's been said earlier today, it's driven most of the sheep producers out of business. The coyotes are just laying there next, it will be our calves and the cattle business. And that is something that needs to be taken a serious look at in the next Farm Bill if it's not taken care of before then.

Thank you.

MR. SIDNEY PHELPS: I just want to make one last comment. Once again, my name is Sidney Phelps on behalf of the West Virginia FFA Association. We are talking about several different things. Different speakers have pointed out different things. I remember one lady speaking about calves in the foreign trade and how she would go to the grocery store, dig through to find the cheapest bag of vegetables she could possibly find and they were made in Mexico.

One thing we have to think about in being United States citizens is we are known for quality. When you look at the brand, made in the USA, we are known for quality, not quantity. We all need to think about sometimes when we go to the grocery store being farmers as we are, we understand the money that goes into this.

We have to think of another way to support our farmers. We need to increase the price sometimes on different style of commodities because we are paying for the quality. We are paying for the better seeds, we are paying for the pesticides, we are paying for the labor to make sure that these products are done. However, the farmers are not getting funds back. We are not being subsidized for those funds. And I know that America is one of the most subsidized organizations and we're not very well known. But you have to realize we pay for the best stuff possible to give the citizens of the United States of America.

One other thing we are talking about is programs. Elementary students sometimes don't even know exactly where their food comes from. Luckily for the FFA we have a food for America program where a chapter adopts an elementary school and will take them to a farm and show them that milk comes from cows, beef is from a cow, poultry, chickens, turkey, anything like that. That's one good thing about a vocational agriculture and the FFA.

And one last thing I would like to add is, being known as a corporate farm and a personal farm, myself, we go through and actually my personal farm we work with USDA as a bidding process for southeast United States with the cotton division. You have to bid on routes to distribute from the gin to a classifying office to find what grade cotton that is for the company. Well, a farmer bidding on that as the typical government job, the lowest bidder wins. The only problem is nowadays, when you're transporting that as a marketing stable, when you go through you're paying \$3-3.50 a gallon for diesel fuel to transport that and you're only bidding \$4-5 because you want to make sure you get that job for the government.

Thank you.

MODERATOR: Thank you. Anyone else?

MS. KELLY BOWLES: Kelly Bowles. I also serve as the executive director of the Jefferson County Farmland Protection Board and I would just like to reiterate the

concern that we have in Jefferson County concerning funding for farmland protection and purchasing easements.

In Jefferson County this past funding cycle, we had five applications and we received matching federal funds for only two of those properties.

MS. ANN NELSON: I'm Ann Nelson. I run a water and sewer company in Preston County. We have many millions of dollars Wirth of commitments for loans to upgrade our water and sewer system. Even with those commitments, and I thank you very much for them, our water and sewer rates for our customers are going to run from \$160 to \$200 per month. Those programs are so extremely critical to us. So I hope you will continue them.

MS. CAROLYN INGLE: Carolyn Ingle again. Just to re-edify my position. I don't buy anything from other countries if I can help. In some of the catalogues you get with real fancy, expensive merchandise, Egyptian cotton. No thanks. I'll buy American cotton and American everything. And I urge everyone else to do so as well.

Thank you.

MR. ALVIN ENGELKE: Alvin Engelke from Wirt County, again. In relation to probably item six and whatever.

I think the USDA needs to remember that West Virginia is a tobacco growing state. Wirt County is a tobacco growing county. We have had nothing for quite a while now on programs to take people out of the tobacco business. I don't think any or not very many in here are those who are involved in using Cuban cigars. But I realize back during that time they were taking care of their friends who grew tobacco in Brazil or whatever. I don't have any friends in Brazil, I own no Brazilian tobacco land nor do I know anyone who does. But I do know people who raise tobacco. And I think that we should not do things to eliminate tobacco growing in West Virginia and in this country and especially doing it to help out those who have corporate friends in other countries.

Thank you.

MODERATOR: Thank you.

MS. ROBERTA MEADOWS: Hello. Welcome to West Virginia. I am Roberta Meadows. I am a supervisor with Elk Conservation District and I live in Braxton County.

The farmers in our state need more lime. In this state we have a big problem with acidic rain. Fertilizer has its place, but we need a farm lime program. A lime incentive program has been brought on board and it's been working through our conservation districts. And I would like to report that it's been well-utilized in my district and we have a waiting list. There needs to be more funding.

The lime enhances the growth of our pasture grasses and the purification of our waters. With good pasture nutrient management our grass-fed beef means pounds and dollars for our producers coming off our pasture lands through the calves that we market.

Thank you.

MODERATOR: Thank you. At this point we're going to change the rules just a little bit. We're going to let you go off of the six questions. It's not necessarily steam release Friday. We want you to still stay to two minutes and keep your comments focused on something that's pertinent to the topic here.

So our first candidate is Dr. Paul Lewis.

DR. PAUL LEWIS: Paul Lewis, animal and vet science at WVU. I want to make a couple general comments. I think that most all of the immediate problems from fuel to food costs and everything has been identified today.

My comments would be related to two things. One, I think, to your focus of the forum, the other is just up here preaching about an issue. And that is that I would encourage USDA in their efforts to do this, to try to look at some consolidation of tasks in what they are trying to do. If I were not in agriculture and I were here from the outside, I would leave that room and say what we've talked about today is welfare and greed.

You know, and the situation is, we all in this room know that's not the case. They are legitimate comments, legitimate problems that are associated with agriculture. But from my point of view is, USDA needs to look at the efficiency of trying to coordinate these programs. And I'm focused on that from a standpoint of trying to consolidate. Who has the task for the assistance program? Who has the task for the technical assistance to the field of agriculture? Who has the task for education, you know, to the field of agriculture?

And I think that in a state like West Virginia as well as any other states, we invest a lot of effort in duplication of things we're trying to get accomplished.

My concern is that, you know, we're just a big bureaucracy. That's what we are. And we have to fight every day to try to make that more efficient.

The other thing in support of the FFA and the 4-H. I've spent my whole career in education so I think education is important. But I want to make a comment that the Land Grant concept no longer exists in the U.S. society. No one understands what that is in my mind.

All of the universities, including WVU are faced with a battle they can't win right now and that is the preservation of the farmland associated with their academic programs

to train the young people in the hands-on aspects of agriculture. And that is immensely true for us at WVU right now. And you have to understand that the young people coming into agriculture now are coming from not a rural and a highly urban area, different than it has been in the past. And so those programs that have some focus on hands-on and production agriculture are important.

But I'm here to tell you that in the college at WVU we have the brightest and the best students in West Virginia University and we've got data to support that in any measure you want to take. But those young people are not going to go back to the farm for the simple reason of economics and the simple reason of a way of life and a profitability. It's just going to be that simple.

You know, right now agriculture is a bad word in the society. When you read an e-mail that says the University of Nebraska is thinking about taking agriculture out of their name, the dean, Dr. Cote knows that in our programs at WVU agriculture is not a word that central administration or our colleagues identify with very effectively.

And today agriculture has three types of people. You know, we've got drivers, we've got passengers, and we've got road kill. Unfortunately, right now, you know, the number in the third group, road kill, is becoming too great.

MODERATOR: Thank you, Paul.

[Applause.]

MODERATOR: Joe.

MR. JOE MESSINIO: I'm Joe Messinio the state director with USDA Animal and Plant Health Inspection Service here in West Virginia, Plant Protection Division. I would like to welcome you, Under Secretary, to West Virginia. It's an honor to have you here.

I want to make my bid for the Farm Bill to put more emphasis on contributing money to the state departments of agriculture in rural America. We are being pushed within USDA to cooperate and work very closely with our state counterparts. And unfortunately it's hard to do if they don't have enough money to operate. In rural states it's very hard to get that kind of economy pushed through the legislature to be able to enhance the programs within the state that compliment our programs within USDA.

An example would be very simply that when I came here 20 years ago we were doing one export a month for lumber going overseas. We are up to 175 to 200 exports a month. It's saving our exporters roughly about \$400 per load if they have the inspections done here in West Virginia as opposed to going to the ports of export like Baltimore and Norfolk. Add that up, if we had two or three more state inspectors, they could do the same job that the two inspectors I have do. We could almost double or triple the amount

of efficiency of exporting that lumber. If we do a better job of it the industry has an easier time of getting it out of here and everything is done right here and it's a better job.

So I would like the Farm Bill to look at maybe taking a little bit more support financially to the state departments of agriculture who have a very rural economy. I think it's important.

We have an excellent university system here, FFA, 4-H, I think it was like 61,000 future votes coming up, you know, for the politicians. I would be thinking about that when you think about all the FFA and 4-H people. These kids need jobs and they need jobs here. And we have the capability of training them. And then they can go to D.C. and they can take our jobs, okay. And they'll be good, they'll be really good. They'll come from a rural background. They'll understand from the grassroots up.

Thank you very much.

MODERATOR: Thank you.

Tom.

[Applause.]

MR. TOM McCONNELL: Tom McConnell again. I wanted to talk about farmer preservation a little bit, closely related to farmland. But there are two or three issues and I'm addressing -- I know I'm way behind -- we might have to be here until 5:00, but I wanted to address question three, the appropriateness and effectiveness of the distribution of farm program benefits.

Three things. We've done some work at the University with our local wolf pools and when we surveyed farmers about predators. And I know folks that we've heard about predators and we've heard some first-hand stories. But across the state predators are still costing our shepherds \$12 per ewe. And the catch is, in Charlie's home county and in Joe Harper's home county, those figures are way, way higher. Now, what that spells later then is that other surveys we've done with our shepherds, these started over ten years ago, 40 percent of the shepherds, when I asked them why your neighbors left the sheep business, it was because of predators. Well, those 40 are gone so we asked the question again and another 40 showed up. We're running out of shepherds and that's a shame.

Another group that we haven't addressed once today is the 170 dairy families in West Virginia. Gee whiz, absolutely put the underpinning under our agriculture. Their business with our auxiliary businesses around support us and those 170 families hire other families as well. And they're suffering from tight budgets like everybody else and now they have the added confusion right now of not having a sound and agreed-upon milk pricing formula. You know, there's milk income loss floating around there and there's some regional programs. We're just more interested in maybe using another

agricultural thing as a hybrid of those, but to get us a milk pricing program put in place for the dairies in West Virginia.

And another one is crop insurance. We haven't talked about crop insurance today. West Virginia farmers, 10,800 of them claim beef cattle as their enterprise. Many, many other ones have had no crop insurance programs to benefit them. We have a couple available out there, but our farmers are crop insurance naive. They just don't understand how that works. And so we would ask you to continue to support funding for the targeted states program so we can get that sort of information there. And we're going to have to deal with our, who is making this product available? We really have a serious shortage of crop insurance sales people. And maybe we have to look at getting that back into a government entity.

Thank you.

MODERATOR: Thank you, Tom.

We need to change the schedule here just a little bit. Commissioner Douglass has an official function to attend here in town to help crown Queen Sylvia at the Forest Festival. And so we are going to ask him to make his closing comments at this point.

COMMISSIONER DOUGLASS: Thank you, Dave. And, again, Mr. Secretary, I hope you will forgive me for cutting out just a little bit early. But the Director of Forestry and I are a part of that ceremony and I understand they have moved the timing back 30 minutes on us. So that's basically because of the weather here.

Two or three things, if I could just emphasize them. In listening, Mr. Secretary, to what I've been hearing here and of course I hope you've been impressed with our 4-H and FFA program in West Virginia. Because it is absolutely outstanding and you even hear this when you come back to West Virginia University and their programming there as well.

Of course, we have heard here a great concern across this country and that's guaranteed funding. Because farmers face disruptive situations with no ability, many times, to cope with them. In fact, on a recent interview a report inquired of me what was the greatest problem that I had faced in my tenure as the agriculture commissioner of West Virginia. And my answer was, weather. And this has been, and trying to meet these problems of weather is, of course, many times without our control. But we need to come back and look at some means of maintaining the productive capacity in this country. And, of course, Katrina, Rita, and some of the others, I think, are bringing this back to a different perspective as well.

The Secretary has a lot of authority in an emergency, but the Secretary, unfortunately, cannot react as rapidly as FEMA or move the money that I keep making reference to here immediately to the farmers. And this is one of the things that's

happening in the south right now in even trying to get food to the farm families which have been overlooked there.

Another thing that has been continued throughout the comments is protecting farmland. And, also, we should put forest lands on that as there is a protective program for the forest lands this day and time.

Mr. Secretary, may I tickle your imagination somewhat more in reference to farmland protection and youth entering into agriculture. If we are paying and you are contributing funds to buy commercial easements off of farmlands, why can we not lift that reduced price of land, make this available to young men and women desirous of coming into the Ag industry? And taking that a step further, that part of the inducement for those young men and women might be some further cash incentives or cost sharing to get things started on that land. And possibly there's that one that's desirous of retiring so this would take it a step further for those young men and women if we can have maybe that out there as a carrot, I guess, so to speak.

One last area and, of course, when there's an invasive species hits this country or when foot and mouth disease ever gets here or if bird flu lands here, you know where it's going to have its beginning; you know who has to deal with it, and certainly Homeland Security and what I just heard the President and others do. Again, you're totally overlooking the very source and the individuals that are going to be the hardest hit. And certainly state departments of agriculture are the basis of much of that early detection with our laboratory facilities. I urge you to look at these programs and make the Secretary aware of our great concerns that we must be reactive and we must protect this productive industry that we have here.

Again, Mr. Secretary, thank you for being here. I am impressed by the number of notes you have taken. It's been great to work with you the second time around. Hopefully there will be many more opportunities. I said earlier, we have spoken from West Virginia, we know the echoes have reverberated through our hills and valleys that hopefully that echo will go to Washington now.

Thank you very much.

[Applause.]

MODERATOR: Okay. I believe -- do I see Joe flipping up there for one more. We'll take one more question or comment.

MR. JOE _____: This is the point that I came to the meeting for. Mr. Secretary, you are from Iowa. There are a lot of farmer feeders in Iowa. You have two Senators that have proposed a bill to limit the number of cattle or to limit the cattle that packers can own.

As a beef producer in this state I am very much concerned that the day may come that we may share what the pork people did a few years ago and we wake up and fat cattle are \$20 as the pork boys saw \$9. It doesn't take a very brilliant person to kind of see what's happening out here.

I sold six loads of cattle last night. They're going to Nebraska. We talked about the fuel. I could probably had another cent and a half if we hadn't had -- we're paying the increased fuel. But the packers have more feedlots in Nebraska or are contracting more cattle in Nebraska to be fed. They're the only ones who can pay us the prices we're receiving here and be able to afford to take them there and finish them. They've got another shot at the market.

But let's look and see for a second, who are the major packers? It's Tyson and Smithfield. And where did they come from? Tyson is a vertical integrated poultry guy. Then he got into the pork. Smithfield has been in the poultry thing. Now they've become the big player in beef in six years. They're going to take this thing over and we're going to wake up and we're in trouble. And I am really concerned that we need to limit the number of cattle packers can own. I'm not saying they shouldn't own some as Senator Harkins' bill says. I feel they need to own some. But somebody has really got to bite the bullet on this because I'm sure that their lobbying dollars are far greater than any farm organization can come up with. They are going to carry far more influence, but somewhere somebody has to say, we've got to do it right. And we've had too much merging going on and we're talking about our fuel problems.

We now have two major oil companies in this country. That should not have been allowed to occur. You know, banks are gobbling up everybody. It's a natural thing. And these large corporation CEOs are only concerned with one thing, what's my stock Wirth today, or what's my bottom line for the year?

But we have to look a little more long range as many of the people in the east do. As China and the Japanese, their societies are much older than ours, they look long term. We are looking two or three years. But in two or three years our cattle industry may be already had. And we are approaching that point now. And somebody has got to step up and bite the bullet and say, enough is enough, we've got to protect our individual cattle producers of this country.

Thank you.

[Applause.]

MODERATOR: Thank you.

[Applause.]

MODERATOR: Okay. At this time we'll invite Under Secretary Dorr to summarize his thoughts. And I've seen him taking a lot of notes. I'm not sure how he is

going to put it all together here, but we are going to look forward to your final comments on this session.

UNDER SECRETARY DORR: Well, thank you, Dave. And it's been a very interesting morning and early afternoon. I again would like to thank all of you for taking the time out of your schedule to come and join us today and share with us your ideas on the issues that we are facing and the policy matters that we are going to have to address.

It was fairly obvious that there were some very significant themes on Ag policy that came through. The issue of youth. You know, the only way that I know that you get people involved in things is if there is opportunity. The only reason there is opportunity is if you create a risk environment. With risk comes reward and with reward comes an aggressiveness of the youth to take and participate in it. So we have some issues that we have to deal with. It's the only way you get youth back into an environment is if there is economic opportunity and without risk there is no reward, there is no economic opportunity. We have to work through that. Somehow we have to decide how we're going to deal with that.

The conservation issues, a very, very strong theme throughout the country.

The land preservation is a very unique issue to these areas of the country that are close to very urbanized or highly populated areas. It's one that interestingly enough we hear about in Iowa close to the state capital or a couple of the other large cities. But it has not seemed to have had a significant impact when you get out into the further rural areas like it clearly has been here. And what this signifies to me is that it's important that we begin to think more clearly about some of the differentiations of these issues. So the land preservation issue is one that, again, as you go about trying to develop policy for it, it's very clear that you're going to have certain landowners who would like to sell and have the opportunity to sell the land at high values to developers and others who don't. Those are, in my view, things that are going to be very complex and take a lot of effort to put together.

The thing that I think probably in the long run is important and has always been effective relative to Farm Bills and farm programs is that recognition that we work on these every four, five, or six years. The Secretary has made the observation consistently coming back that there is a lot of concern about, on the one hand, the structure of the guarantees of the program and what they do to inherently capitalize into the land values and other things and therefore make it very difficult for young people to get started. On the other hand, the other issue's relative to return on investment. And all of that in the context of a global environment. So it's very evident, me being here today, that these issues that we sense on a regular basis are every bit as commonplace in some respects across the country as we perhaps thought they were. On the other hand they're every bit as complex.

There aren't going to be easy solutions to these. There aren't going to be nice comfortable ways to slice and dice this, if you may, and make it all work out. But the

good part about it is that the process is a remarkable process in this country. Sometimes we have to give more than we would like. Other times we have an opportunity to take more than perhaps we thought. But the bottom line is that overall in this country, these processes work better than anyplace else in the world.

And I have a great deal of faith in the process and that when it's all said and done we'll end up with programs that are pretty fair and that are pretty effective. And part of that is because we've had the opportunity to get input from folks like yourself all over the country. And so as we have in the other states, we'll take all of this back. We're going to put it in the hopper, analyze it and do our darnedest to facilitate the development of a strong and effective Farm Bill that will serve everyone as well as possible.

Thank you very, very much for taking the time out to come. And I've enjoyed it a great deal.

[Applause.]

MODERATOR: Thank you.

Before everyone takes off, if there are those of you that still have comments that you would like to make, you can go to the USDA web site at www.USDA.gov and follow the links to make your comments. You can also send them in writing to Mike Johanns, Secretary of Agriculture, Farm Bill, 1400 Independence Avenue, S.W., Room 116A, Washington, D.C. 20250-3355.

We would like to thank you for sharing some time with us in West Virginia. We also got news that Senator Byrd's representative Dan Tompkins had joined us for the session today and we appreciate that visit as well.

With that, I believe this will conclude the program and we thank you for coming and sharing your thoughts and feelings with us about the Farm Bill.

Thank you.

[Whereupon, the West Virginia Farm Bill Forum was concluded.]